

**REGULAR MEETING**

**MAYOR AND BOARD OF TRUSTEES, VILLAGE OF BURR RIDGE, IL**

**July 12, 2010**

**CALL TO ORDER** The Regular Meeting of the Mayor and Board of Trustees of July 12, 2010 was held in the Meeting Room of the Village Hall, 7660 County Line Road, Burr Ridge, Illinois and called to order at 7:00 p.m. by Mayor Grasso.

**PLEDGE OF ALLEGIANCE** was conducted by Lahari Yellamanchili of Pleasantdale Elementary School.

**ROLL CALL** was taken by the Village Clerk and the results denoted the following present: Trustees Grela, Allen, Sodikoff, Paveza, DeClouette, & Mayor Grasso. Trustee Wott arrived at 7:02. Also present were Village Administrator Steve Stricker, Deputy Police Chief Tim Vaclav, Village Attorney Terry Barnicle, and Village Clerk Karen Thomas.

There being a quorum, the meeting was open to official business.

**AUDIENCE** Dolores Cizek, 6603 Natasha Court, Countryside, again addressed the Board regarding her objections to the proposal for the Village to commit funds to the Destihl Restaurant in the form of an Irrevocable Letter of Credit.

Resident Marty Gleason discussed the proposal regarding the commitment of funds by the Village to the Destihl Restaurant in the form of a Letter of Credit. Mr. Gleason wondered why the Village would commit funds to Destihl when the Bank of America would not. In addition, Mr. Gleason suggested that funding a Letter of Credit in the current economic climate may not be the right thing to do. Mr. Gleason feels such funding is bad policy and a bad precedent in the current economic climate.

**CONSENT AGENDA – OMNIBUS VOTE** After reading the Consent Agenda by Mayor Grasso, motion was made by Trustee Wott and seconded by Trustee DeClouette that the Consent Agenda – Omnibus Vote, (attached as Exhibit A), and the recommendations indicated for each respective item, be hereby approved.

On Roll Call, Vote Was:

AYES: 6 – Trustees Wott, DeClouette, Allen, Grela, Sodikoff, Paveza

NAYS: 0 – None

ABSENT: 0 – None

There being six affirmative votes, the motion carried.

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**APPROVAL OF REGULAR MEETING OF JUNE 28, 2010** were approved for publication under the Consent Agenda by Omnibus Vote.

**RECEIVE AND FILE (DRAFT) VETERANS MEMORIAL COMMITTEE MEETING OF JUNE 23, 2010** were noted as received and filed under the Consent Agenda by Omnibus Vote.

**RESOLUTION ACCEPTING SUBDIVISION IMPROVEMENTS – HERITAGE ESTATES SUBDIVISION** The Board, under the Consent Agenda by Omnibus Vote, adopted the Resolution accepting the Subdivision Improvements for Heritage Estates Subdivision subject to completion of the punch list items.

**THIS IS RESOLUTION NO. R-20-10.**

**RESOLUTION GRANTING AN EXTENSION FOR COMPLETION OF SUBDIVISION IMPROVEMENTS AND AUTHORIZING AN AMENDMENT TO SUBDIVISION IMPROVEMENT AGREEMENT FOR CROSSCREEK SUBDIVISION** The Board, under the Consent Agenda by Omnibus Vote, adopted the Resolution granting an extension for completion of Subdivision Improvements and authorizing an amendment to the Subdivision Improvement Agreement for Crosscreek Subdivision.

**THIS IS RESOLUTION NO. R-21-10.**

**RECOMMENDATION TO APPROVE M.A.P. CONTRACT – POLICE SUPERVISORS** The Board, under the Consent Agenda by Omnibus Vote, approved the Metropolitan Alliance of Police (M.A.P.) Contract for Police Supervisors and authorized the Mayor to sign the contract.

**RECOMMENDATION TO PURCHASE COPIER FOR NEW POLICE FACILITY** The Board, under the Consent Agenda by Omnibus Vote, approved the recommendation to award a contract to Proven Business Systems for the purchase of the Toshiba 3530C copy machine in the amount of \$9,043, with a service contract in the amount of \$98.00 per month.

**RECOMMENDATION TO APPOINT DEHN GRUNSTEN AS ALTERNATE TO THE PLAN COMMISSION** The Board, under the Consent Agenda by Omnibus Vote, approved the Mayor's recommendation to appoint Dehn Grunsten as alternate to the Plan Commission for a three-year term expiring July 1, 2013.

**VOUCHERS** in the amount of \$826,395.00 for the period ending July 12, 2010 and payroll in the amount of \$185,138.86 for the period ending June 26, 2010 were approved for payment under the Consent Agenda by Omnibus Vote.

**ADOPTION OF RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN VILLAGE OF BURR RIDGE, DUPAGE AND COOK COUNTIES, ILLINOIS, AN ILLINOIS MUNICIPAL CORPORATION, ("VILLAGE"), DESTIHL 3, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY ("DESTIHL") AND OPUS REAL ESTATE**

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**IL VII, BURR RIDGE, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY**  
**("OPUS") – DESTIHL RESTAURANT AND BREW WORKS**

Mayor Grasso began by asking Trustee Allen if he had reviewed the financial statements for Destihl. In response, Trustee Allen explained he received financial information for the Normal, Illinois Destihl location for 2008, 2009, and the first five months of 2010. Trustee Allen also was given the Organizational Structures and Business Plan for all locations as well as Balance Sheet, Detail Operating Reports by Month, and Forecast data by location. Trustee Allen stated the reports are technical for a company of this size. Trustee Allen explained the organizational structure of Destihl to the Board.

Trustee Allen noted that the Normal location had \$3,000,000 in volume its first year and each year, the results have improved. In summary, the business has been profitable. The proposed Champaign location is comparable in size to the Normal location and the Burr Ridge location would be larger with higher revenues, profits, and cash flow projected.

Trustee Allen reported on the financial status of the Destihl Restaurant in Normal. He explained the Normal location is owned and is depreciated for tax purposes. In contrast, the Burr Ridge location will be a different situation as it will be leased, with 2.5 years rent free, which is part of the financing. Trustee Allen added that financially, there will be significant expense incurred in 2010 to accommodate the build-out and start-up expenses.

Trustee Allen explained there are several layers and classes of stock, which were initially sold to finance start-up costs of the other locations. The stock sales will likely continue to accommodate future start-up costs. Trustee Allen stated that what the Village would be doing with the letter of credit, which is more of a guarantee than a loan, is consistent with what has been done in the financing of the other Destihl locations.

Trustee Allen concluded that in his review of the Destihl financial statements, he did not observe any "red flags" to be concerned about.

In response to Trustee Allen's inquiry regarding the status of the approval of the bank financing for Destihl, Mayor Grasso responded that the financing has not yet been approved and any Board action would be contingent upon the bank financing.

In response to Trustee Paveza's question regarding the amount of money guaranteed by Destihl, Mayor Grasso explained the financing requirements for the project.

Trustee DeClouette inquired if additional investors were being sought by Destihl for the Burr Ridge location. Trustee Allen responded that he feels additional stock might be sold.



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John Meyers, Vice President of Development for Opus North Corporation, clarified that there is additional financing that Destihl requires for Furnishings, Fixtures, and Equipment of approximately \$1.3 million and the project should not move forward until that loan is secured. The lease is structured to be contingent upon Destihl securing this financing.

Mayor Grasso summarized the financing for Destihl and the Village's participation through a \$400,000 Letter of Credit, which will diminish by 25% per year based upon the date of the issuance of the first building permit. An open date for the restaurant of December 15, 2010 is required.

In response to Trustee Sodikoff's question regarding potential monetary defaults that might occur during the first two years, Mr. Meyers responded that monetary default is unlikely as the obligations are very limited, if any. The only default would be the opening of the restaurant.

Trustee Sodikoff inquired if it would be acceptable to have the Letter of Credit written to identify the monetary defaults that would result in the Letter of Credit being called. In response, Mr. Meyers indicated he would be open to discussing it with the attorney.

Mayor Grasso indicated that the Village would want a provision to define potential monetary defaults in the first two years. In response, Village Attorney Terry Barnicle explained that a potential situation of monetary default could occur in a third party situation and the Village has the option to cover the default thus obligating Destihl to the Village.

The Board discussed potential monetary defaults and the protection of the Letter of Credit. It was concluded that in the first two years, the monetary defaults would be very limited.

Trustee Sodikoff proposed a cure period during the first two years preventing the Letter of Credit from being called if a replacement tenant can be found during such time since it is a rent-free time period for Destihl. In response, Mr. Meyers explained it is doubtful the lender would be agreeable and that it is difficult to reuse tenant space as is.

Mayor Grasso discussed the transferability of the Letter of Credit and Mr. Barnicle explained that the only event that would allow the Letter of Credit to be transferred is a default by Opus that results in a foreclosure on the Village Center.

Mayor Grasso inquired about the ability of the Village to cure and Mr. Barnicle explained that the Village is entitled to cure within the same 90 day period that Destihl can cure their own default. The Village will have an opportunity to cure the default after Destihl's opportunity.

Trustee Sodikoff added that in his opinion, the Village would need a 90 day cure period.

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Trustee Allen questioned if Destihl was structured such that there were cross-collateralization agreements since the business is structured as separate LLC's. In response, Mr. Meyers explained that he was uncertain. Trustee Allen commented that if the Burr Ridge Destihl location is unsuccessful then the failure would be limited to that LLC only. Mr. Meyers responded explaining that most restaurants are structured in a similar manner.

Trustee Grela added that he has seen several brew pubs fail and during difficult economic times experienced by the Village and its residents, he is uncomfortable with an unsecured loan to a brew pub. In response, Mr. Meyers explained that although it is difficult to predict who will succeed and who will not, the main goal for the Village Center is to find tenants that are the most likely to be successful based upon their reputation.

Mayor Grasso proposed the option of the Board voting with conditional approval based upon Destihl securing its financing. Mr. Meyers added that the securing of the financing is also necessary for approval of the lease. Mr. Meyers agreed that a contingency could be specified dependent upon Destihl securing its financing.

Trustee Sodikoff questioned the dependence of the Village Letter of Credit portion on the financing. In response, Mr. Meyers stated that all of the components of the Destihl financing are linked.

Trustee Sodikoff stated in order to approve this Resolution; he would be looking for specifics on the cure, monetary defaults, and a guarantee from Destihl on the Letter of Credit if it is drawn upon. In response, Mr. Meyers explained that Bank of America is asking the Village to guarantee the Letter of Credit, which Destihl needs in order to open. Mr. Meyers explained that Destihl is not requesting a sales tax rebate but that option could be explored and that money could be used to guarantee the Letter of Credit.

Mayor Grasso stated he would discourage forfeiting sales tax revenue as that is ongoing revenue for the Village.

Motion was made by Trustee Allen and seconded by Trustee Wott to adopt the Resolution Authorizing Execution of an Agreement Between Village of Burr Ridge, DuPage and Cook Counties, Illinois, an Illinois Municipal Corporation, ("Village"), Destihl 3, LLC, an Illinois Limited Liability Company ("Destihl") and Opus Real Estate IL VII, Burr Ridge, L.L.C., a Delaware Limited Liability Company ("Opus") – Destihl Restaurant and Brew Works contingent upon Destihl securing its financing.

Trustee DeClouette questioned the definition of the Letter of Credit draw conditions. In response, Mr. Barnicle explained it is defined as a monetary default or the closing of the business and explained the conditions that constitute a monetary default.

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Trustee Allen added that times have changed and businesses are now doing things differently. As a result, government incentives have become common.

On Roll Call, Vote Was:

AYES: 4 – Trustees Allen, Wott, Paveza, DeClouette

NAYS: 2 – Trustees Grela and Sodikoff

ABSENT: 0 – None

There being four affirmative votes, the motion carried.

**THIS IS RESOLUTION NO. R-22-10**

**CONSIDERATION OF RECOMMENDATION TO AWARD CONTRACT FOR POLICE STATION / VILLAGE HALL WAY FINDING SIGN**

Village Administrator Steve Stricker stated that \$7,500 was budgeted for the new Police Facility Way Finding sign. The sign would serve to identify the Village Hall and Police Facility and would be designed with the same logo and similar design as the other County Line Road and Village Center signs. Mr. Stricker explained that with the future renovation of the current Village Hall Facility, a new sign would be installed on the building structure and the existing sign in front of the building would be removed as it is in need of replacement.

Mr. Stricker stated the cost of the proposed sign is \$6,875 from DeSign Group Signage, which is the same company that provided the other signs. The cost would be taken from the FF&E (Furnishings, Fixtures, and Equipment) account.

Motion was made by Trustee DeClouette and seconded by Trustee Grela to award the contract for the Police Station / Village Hall Way Finding Sign to DeSign Group Signage in an amount not to exceed \$6,875.

On Roll Call, Vote Was:

AYES: 6 – Trustees DeClouette, Grela, Wott, Allen, Sodikoff, Paveza

NAYS: 0 – None

ABSENT: 0 – None

There being six affirmative votes, the motion carried.

**OTHER CONSIDERATIONS** There were none at this time.

**AUDIENCE** Dolores Cizek, 6603 Natasha Court, Countryside, expressed her displeasure regarding the Board vote approving the Destihl proposal.

Resident Edward Kahn stated he feels it is inappropriate for a municipality to get involved with a private business as it sets a bad precedent.



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**REPORTS AND COMMUNICATIONS FROM VILLAGE OFFICIALS**

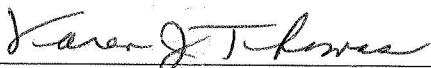
In response to Trustee Allen's inquiry regarding the status of the platform tennis courts in Hinsdale, Mayor Grasso stated that he and Mr. Stricker attended a recent meeting and were informed they want to build two additional courts. Mayor Grasso said he expressed opposition to the additional courts with the potential for litigation if the courts went forward but also indicated openness to hearing ideas. The desired location for the new courts is Kathryn Legge Park as it has a warming house available. Mayor Grasso pointed out that Burns Park also has a warming house and might be a better location and other locations were also suggested. It was also indicated that the hours for the tennis would also be limited at Kathryn Legge Park.

Trustee Allen was informed by Hinsdale Park Board members that some leveling may be done on the Lacrosse Field at Kathryn Legge Park, which may affect the water issues. Steve Stricker, Village Administrator, indicated that the grade cannot be changed without addressing the flooding issues.

**ADJOURNMENT** Motion was made by Trustee Paveza and seconded by Trustee Wott that the Regular Meeting of July 12, 2010 be adjourned.

On voice vote the motion carried and the meeting was adjourned at 8:52 p.m.

PLEASE NOTE: Where there is no summary of discussion on any items in the minutes, this reflects that no discussion occurred other than the introduction of the item.



Karen J. Thomas  
Village Clerk  
Burr Ridge, Illinois

APPROVED BY the President and Board of Trustees this 26<sup>th</sup> day of July, 2010.



**AGENDA  
REGULAR MEETING – MAYOR & BOARD OF TRUSTEES  
VILLAGE OF BURR RIDGE**

**July 12, 2010  
7:00 p.m.**

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE – Lahari Yellamanchili  
Pleasantdale Elementary School**
- 2. ROLL CALL**
- 3. AUDIENCE**
- 4. CONSENT AGENDA – OMNIBUS VOTE**

All items listed with an asterisk (\*) are considered routine by the Village Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or citizen so request, in which event the item will be removed from the Consent Agenda.

**5. MINUTES**

- \*A. Approval of Regular Meeting of June 28, 2010
- \*B. Receive and File Draft Veterans Memorial Committee Meeting of June 23, 2010

**6. ORDINANCES**

**7. RESOLUTIONS**

- A. Consideration of Adoption of Resolution Authorizing Execution of an Agreement Between Village of Burr Ridge, DuPage and Cook Counties, Illinois, an Illinois Municipal Corporation, ("Village"), Destihl 3, LLC, an Illinois Limited Liability Company ("Destihl") and Opus Real Estate IL VII, Burr Ridge, L.L.C., a Delaware Limited Liability Company ("Opus") – Destihl Restaurant and Brew Works
- \*B. Adoption of Resolution Accepting Subdivision Improvements – Heritage Estates Subdivision
- \*C. Adoption of Resolution Granting an Extension for Completion of Subdivision Improvements and Authorizing an Amendment to Subdivision Improvement Agreement for Crosscreek Subdivision

**8. CONSIDERATIONS**

- A. Consideration of Recommendation to Award Contract for Police Station/Village Hall Way Finding Sign
- \*B. Approval of Recommendation to Approve M.A.P. Contract – Police Supervisors
- \*C. Approval of Recommendation to Purchase Copier for New Police Facility

**EXHIBIT** A

- \*D. Approval of Recommendation to Appoint Dehn Grunsten as Alternate to the Plan Commission for a Three-Year Term Expiring July 1, 2013
- \*E. Approval of Vendor List
- F. Other Considerations – For Announcement, Deliberation and/or Discussion Only – No Official Action will be Taken

**9. AUDIENCE**

**10. REPORTS AND COMMUNICATIONS FROM VILLAGE OFFICIALS**

**11. ADJOURNMENT**